

05-04-2005

Form PTO-1595
(Rev. 03/01)

RE:



U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

OMB No. 0651-0027 (exp. 5/31/2002)

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

5/21/05

1. Name of conveying party(ies):

Home Care Industries, Inc.

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: May 19, 2004

2. Name and address of receiving party(ies)

Name: PNC Bank, National Association

Internal Address: _____

Street Address: 70 East 55th Street, 14th Floor

City: New York State: NY Zip: 10022

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

See attached

B. Patent No.(s)

See attached

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Amy Lee Brady

Internal Address: CSC

Street Address: 80 State Street, 6th Floor

City: Albany State: NY Zip: 12207

6. Total number of applications and patents involved: 11

7. Total fee (37 CFR 3.41).....\$ 440.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Amy Lee Brady

Name of Person Signing

Signature

04/29/2005

Date

05/03/2005 DBYRNE 00000080 5772712

Total number of pages including cover sheet, attachments, and documents: 12

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440.00 All documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

PATENT
REEL: 016513 FRAME: 0519

EXHIBIT A

U.S. PATENTS - HOME CARE INDUSTRIES, INC.

Title	Patent No.	Issue Date	Owner
MANUALLY CLOSABLE VACUUM CLEANER BAG COLLAR AND METHOD OF MAKING	5772712	June 30, 1998	Home Care Industries, Inc. Clifton, NJ *Security Agreement recorded in favor of General Electric Capital Corporation on April 2, 1998
MANUALLY CLOSABLE VACUUM CLEANER BAG	5725620	March 10, 1998	Home Care Industries, Inc. Clifton, NJ *Security Agreement recorded in favor of General Electric Capital Corporation on April 2, 1998
VACUUM BAG WITH REINFORCEMENT PATCH	5690711	November 25, 1997	Home Care Industries, Inc. Clifton, NJ
SELF-ALIGNING, SELF-SEALING VACUUM BAG	5688298	November 18, 1997	Home Care Industries, Inc. Clifton, NJ
SELF-ALIGNING SELF-SEALING VACUUM BAG	5613989	March 25, 1997	Home Care Industries, Inc. Clifton, NJ
DISPOSABLE DUST BAG FOR VACUUM CLEANER AND THE LIKE	5464460	November 7, 1995	Home Care Industries, Inc. Clifton, NJ
VACUUM CLEANER WITH CHARGE GENERATOR AND GAB THEREFOR	5400465	March 28, 1995	Home Care Industries, Inc. Clifton, NJ
OPTIONAL DEODORANT DISPENSER FOR	5342420	August 30, 1994	Home Care Industries, Inc. Clifton, NJ

Schedule A - 1

074658.01187/6397301v1

PATENT
REEL: 016513 FRAME: 0520

Title	Patent No.	Issue Date	Owner
VACUUM CLEANER			
VACUUM CLEANER BAG WITH ELECTROSTATICALLY CHARGED MELTBLOWN LAYER.	5306534	April 26, 1994	Home Care Industries, Inc. Clifton, NJ
VACUUM CLEANER BAG	5244703	September 14, 1993	Home Care Industries, Inc. Clifton, NJ
CRIMPED VACUUM BAG SEAL AND METHOD OF MAKING THE SAME	5181946	January 26, 1993	Home Care Industries, Inc. Clifton, NJ

CANADIAN PATENTS - HOME CARE INDUSTRIES, INC.

Title	Patent No.	Owner
MANUALLY CLOSABLE VACUUM CLEANER BAG	2207345	Home Care Industries, Inc. Clifton, NJ
OPTIONAL DEODORANT DISPENSER FOR VACUUM CLEANER	2162031	Home Care Industries, Inc. Clifton, NJ

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "**Agreement**"), dated as of May 19, 2004, is made by and between **HOME CARE INDUSTRIES, INC.**, a North Carolina corporation, with a principal place of business at One Lisbon Street, Clifton, New Jersey 07013 (the "**Borrower**"), and **PNC BANK, NATIONAL ASSOCIATION**, a national banking association ("**PNC**") with an address at 70 East 55th Street, 14th Floor, New York, New York 10022, acting for and on behalf of, and in its capacity as agent for, the financial institutions that are parties from time to time as lenders (collectively, the "**Lenders**") to the Credit Agreement (as defined below) (PNC, in such capacity the "**Agent**").

RECITALS

The Borrower, the Agent and the Lenders are parties to a Revolving Credit, Term Loan and Security Agreement dated as of even date herewith (as the same may hereafter be amended, supplemented or restated from time to time, the "**Credit Agreement**").

As collateral security for any loan or other financial accommodation made to the Borrower under the Credit Agreement or otherwise, the Lenders have required the execution and delivery of this Agreement by the Borrower.

ACCORDINGLY, in consideration of the mutual covenants contained in the Credit Agreement and herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Credit Agreement. In addition, the following terms have the meanings set forth below:

"**Patents**" shall mean and include all of Borrower's right, title and interest in and to any and all patents, including, without limitation, the patents which are the subject of the registrations and applications listed on Exhibit A and (a) all renewals thereof, (b) all income, royalties, damages and payments now or hereafter due and/or payable under or with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past, present or future infringements or dilutions thereof, (c) the right to sue for past, present and future infringements, (d) all other rights corresponding thereto throughout the world, and (e) all proceeds and products thereof, whether now owned or hereafter acquired.

2. Security Interest. To secure the prompt payment and performance of the Obligations, Borrower hereby grants to Agent, for its benefit and for the ratable benefit of each Lender, a continuing security interest in and to and Lien on the Patents (the "**Security Interest**").

3. Representations, Warranties and Agreements. The Borrower hereby represents, warrants and agrees that:

(a) Patents. To the best of the Borrower's knowledge, Exhibit A accurately lists all Patents which are the subject of registration and applications owned by the Borrower as

of the effective date hereof and accurately reflects the existence and status of registrations pertaining to the Patents as of the effective date hereof. To the best of Borrower's knowledge, each of the Patents listed on Exhibit A is subsisting, has not been adjudged invalid or unenforceable, in whole or in part, and is valid and enforceable.

(b) Title. To the best of Borrower's knowledge, Borrower has title to each Patent on Exhibit A free and clear of all Liens, except the Security Interest and, to the extent applicable, Permitted Encumbrances. The Borrower will keep all Patents free and clear of all Liens, except the Security Interest and, to the extent applicable, Permitted Encumbrances. To the best of Borrower's knowledge, no other person has any rights in or to any Patents owned by Borrower (as opposed to licensed to Borrower), except licensees which were granted licenses to the Patents prior to the date hereof and which constitute Permitted Encumbrances.

To the extent that Federal patent laws are applicable to security interests in patents, the recordation of this Agreement in the United States Patent and Trademark Office against the Patents set forth on Exhibit A hereto within three months of the date hereof will render the Agent's Security Interest in the Patents effective against subsequent purchasers and mortgages of such Patents.

(c) Valid Security Interest. This Agreement creates a valid security interest in favor of the Agent in the Patents, as security for the Obligations. Upon the filing of a UCC financing statement with the Secretary of the State of North Carolina listing the Borrower as "debtor," the Agent as "secured party" and the Patents as collateral, the Security Interests will be a perfected first priority security interest to the extent that the Uniform Commercial Code is applicable to security interests in Patents.

(d) No Sale. The Borrower will not sell or otherwise dispose of any Patents, or any interest therein (including, without limitation, pursuant to any license with respect thereto) without the Agent's prior written consent except for Permitted Encumbrances and its rights to fail to maintain Patents under subsection (f) hereof.

(e) Infringement; Defense. To the best of the Borrower's knowledge, no infringement or unauthorized use is presently being made of any of the Patents by any Person. To the best of the Borrower's knowledge, the past, present and contemplated future use of the Patents by the Borrower has not, does not and will not infringe upon or violate any right or license of or with any other Person in any material respect. The Borrower will at its own expense, and commercially reasonable efforts, protect and defend the Patents against all claims or demands of all Persons other than the Agent and the Lenders and licensees.

(f) Maintenance. The Borrower will, at its own expense, maintain the Patents to the extent reasonably advisable in its business including, but not limited to, filing all applications to register and all affidavits and renewals possible with respect to issued registrations. The Borrower covenants that, except if it determines not to proceed with an application or maintenance of a mark for business purposes (for example, non-use, settlement of dispute, high cost of maintenance relative to value of the Patent), it will not abandon nor fail to pay any maintenance fee due and payable on any Patent.

(g) Agent's Right to Take Action. If the Borrower fails to perform or observe any of its covenants or agreements set forth in this Section 3, and if such failure continues for a period of ten (10) business days after the Agent gives the Borrower written notice thereof (or, in the case of the agreements contained in subsection (f), immediately upon the occurrence of such failure, without notice or lapse of time), the Agent may (but need not) perform or observe such covenant or agreement on behalf and in the name, place and stead of the Borrower (or, at the Agent's option, in the Agent's own name) and may (but need not) take any and all other actions which the Agent may reasonably deem necessary to cure or correct such failure. The Agent shall not have any duty with respect to the Patents other than duties, if any, that apply under the Credit Agreement with respect to the Collateral. Without limiting the generality of the foregoing, the Agent shall not be under any obligation to take any steps to preserve rights in the Patents against any Person, but the Agent may do so at its option, to the extent provided in this Agreement and the Credit Agreement.

(h) Costs and Expenses. Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Borrower shall pay the Agent on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by the Agent in connection with or as a result of the Agent taking action under subsection (g) or exercising its rights under Section 7, together with interest thereon from the date expended or incurred by the Agent at the highest rate then applicable to any of the Obligations.

(i) Power of Attorney. To facilitate the Agent's taking action under subsection (g) and exercising its rights under Section 7, after and during the continuance of an Event of Default, the Borrower hereby appoints the Agent, or its delegate, as the attorney-in-fact of the Borrower with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Borrower, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Borrower under this Section 3, or, necessary for the Agent, after and during the continuance of an Event of Default, to exercise its remedies under Section 7 hereof. The Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done pursuant to the foregoing power of attorney. The power of attorney granted herein is coupled with an interest and shall be irrevocable until the termination of the Credit Agreement as provided therein and the payment and performance of all Obligations.

4. Borrower's Use of the Patents. The Agent shall not interfere with the Borrower and its related parties and affiliates to control and manage the Patents, including the right to exclude others from making, using or selling items covered by the Patents and any licenses thereunder and specifically including any right to enter into any licenses, in the same manner and with the same effect as if this Agreement had not been entered into, so long as no Event of Default occurs and remains uncured.

5. No Royalties. The Borrower hereby agrees that the Agent's rights to use the Patents as authorized hereunder and under the Credit Agreement in connection with the Agent's exercise of its rights and remedies under paragraph 7 or under the Credit Agreement shall be co-extensive with the Borrower's rights in and to such Patents and with respect thereto and the

Agent shall have no liability to the Borrower for royalties or other related charges on account of any such use.

6. Events of Default. An Event of Default under the Credit Agreement shall constitute an event of default under this Agreement (herein called "**Event of Default**").

7. Remedies. Upon the occurrence and during the continuation of an Event of Default, the Agent may, at its option, take any or all of the following actions:

(a) The Agent may exercise any or all remedies available under the Credit Agreement, and the Borrower hereby agrees to assign, convey and otherwise transfer title in and to the Patents to the Agent or any transferee of the Agent.

(b) The Agent may sell, assign, transfer, pledge, encumber, license or otherwise dispose of the Patents in accordance with the requirements of 11.1(a) of the Credit Agreement, and, in such connection, Borrower shall execute and deliver to the Agent, for the benefit of the Lenders, or any such transferee all such agreements, documents and instruments as may be necessary, in the exercise of the Agent's commercially reasonable judgments, to effect such assignment, conveyance and transfer.

(c) The Agent may enforce the Patents and any licenses thereunder, and if Agent shall commence any suit for such enforcement, the Borrower shall, at the request of Agent, do any and all lawful acts and execute any and all proper documents required by Agent in aid of such enforcement.

(d) The Agent shall have, in addition to all of its rights and remedies hereunder, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents may be located or deemed located.

All of the Agent's rights and remedies with respect to the Patents, whether established hereby, by the Credit Agreement, by any Other Document or by law, shall be cumulative and not alternative.

8. Miscellaneous. The execution, delivery and performance of this Agreement is within Borrower's corporate powers, has been duly authorized by all necessary corporate action, is not in contravention of law or the terms of Borrower's by-laws or certificate of incorporation or other applicable documents relating to Borrower's formation or to the conduct of Borrower's business or of any material agreement or undertaking to which Borrower is a party or by which Borrower is bound. Neither this Agreement nor any portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by the party to be charged. The Security Interest can be released, only explicitly in a writing signed by the Agent upon termination of Lien under the Credit Agreement, or pursuant to Section 13.3 of the Credit Agreement. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Agent, each Lender, all future holders of the Obligations and their respective successors and assigns and shall take effect on the date hereof. A carbon, photographic or other reproduction of this Agreement or of any financing statement shall have the same force and

effect as the original for all purposes of a financing statement. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applied to contracts to be performed wholly within the State of New York. If any part of this Agreement is contrary to, prohibited by, or deemed invalid under applicable laws or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this PATENT SECURITY AGREEMENT as of the date written above.

HOME CARE INDUSTRIES, INC.

Alice M. Ryan

By: _____
Name: _____
Title: _____

[Signature]
Anthony Gigante
CFO

ALICE M. RYAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 10, 2007

PNC BANK, NATIONAL ASSOCIATION,
as Agent

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have executed this PATENT SECURITY AGREEMENT as of the date written above.

HOME CARE INDUSTRIES, INC.

By: _____
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,
as Agent

Kathleen Mangual

KATHLEEN MANGUAL
Notary Public, State of New York
No. 01MA6083782
Qualified in New York County
Commission Expires November 25, 2006

By: *Parameswar Sivaramakrishnan*
Name: Parameswar Sivaramakrishnan
Title: Vice President

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DISPOSABLE DUST BAG FOR VACUUM CLEANER AND THE LIKE	5464460	November 7, 1995	Home Care Industries, Inc. Clifton, NJ
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OPTIONAL DEODORANT DISPENSER FOR	5342420	August 30, 1994	Home Care Industries, Inc. Clifton, NJ

Schedule A - 1

074658.01187/6397301v1

**PATENT
REEL: 016513 FRAME: 0529**

Title	Patent No.	Issue Date	Owner
VACUUM CLEANER			
VACUUM CLEANER BAG WITH ELECTROSTATICALLY CHARGED MELTBLOWN LAYER	5306534	April 26, 1994	Home Care Industries, Inc. Clifton, NJ
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OPTIONAL DEODORANT DISPENSER FOR VACUUM CLEANER	2162031	Home Care Industries, Inc. Clifton, NJ